

FINANCE—THE SUPREME ISSUE.

Speech of Hon. J. B. Weaver in the House of Representatives, May 9, 1879.
(Continued from last week.)

Now, I will give another reason for opposing national banks. The act of June 30, 1874, now on our statute book, and the law of the land, provides that any national bank may at pleasure reduce its circulation in whole or in part. Thus these institutions are clothed with the right to contract the currency at their will. The act of January 14, 1875, known as the resumption act, provides that they may increase the currency without regard to limit. Thus there is one act which allows them to "bear" the market whenever they please and another which enables them to "bull" the market when they please. They can contract the currency when they see fit; and in this way they can control the value of every day's labor and of every product in this country. [Applause.] I say it is the climax of iniquity in legislation that a great government like ours, of forty-seven million people—soon to have a hundred million—should say that for all time we will never issue another dollar of legal-tender paper nor remonetize silver; that the national banks for all time to come shall have the absolute control of the volume of the currency of this country, and hence over the destiny of our people. I call on the people everywhere to arise and in their might and strength shake off this incubus. [Applause.]

[The law has been slightly modified since this speech was delivered. They can now retire only \$3,000,000 of their circulation per month, of \$36,000,000 per year. But the right to go into liquidation and thus retire their whole circulation i. e., the whole circulation of any bank, or all the banks, still exists.—Ed.]

Suppose that this were a national convention assembled to frame a constitution; that all the articles had been framed, and it only remained to provide who should issue the currency of the country and control its volume. And suppose my friend from Michigan should rise in his place and say: "We have now our constitution all framed except that which shall determine who is to issue the money. Now there are a few hundred men who let us have money when we were in trouble; we love them; I move that we give it into the hands of our creditors and their successors, world without end, amen, to say how much money there shall be in this country and when it shall be issued to the people." Now I would move an amendment that the power to say what shall be the price of all property in this country shall not be conferred upon corporations, the creditors of the country, but that it shall be left to the whole people, represented in congress, to say through their representatives how much money we shall have and what shall be the money of the country. [Applause.]

I venture to say that even in this house, with so many friends of the syndicate as we have here to vote, there would not be one man who would dare to vote "no" on my amendment, the proposition is so plain.

But, sir, it is contended that the national bank system furnishes an elastic currency. My friend Thomas M. Nichols, the secretary of the "Honest Money League," that represents to-day the hard money element of both the old parties, and whose circulars are sent all over the country by members of congress, says that the national bank system furnishes an elastic system of currency; that if the wants of trade require more money the banks can get it by depositing bonds, and if the currency becomes redundant they can surrender it. They will regulate it

solely for our good, of course. Thus it is claimed that under the national bank system the amount of currency can be adjusted at the will of the banks in accordance with the demands of trade. But, sir, I maintain that the elasticity which we get at the option of the banks constitutes one of the greatest objections to the system. Such elasticity reminds me of the first piece of India rubber I ever saw. A great big fellow came to school, when I was a little boy about ten years old, holding in his hand a piece of India rubber which he was stretching. He said to me, "Jim, did you ever see anything like this?" I replied: "I never had; what is it?" "Why," said he, "they call it India rubber. Take one end of it between your teeth." I did so. "Now," said he, "pull!" I pulled and he pulled. While it was stretching out, while it was expanding, it did not hurt me a bit; but when he let loose the other end that was contraction, and you may depend it was not pleasant. [Great laughter.] Now, the proposition is to put the rubber to the lips of the American people and let the national banks draw it out whenever they please. [Laughter.]

I say that it is one of the monster evils of the age, and in defiance of all correct systems of finance that we allow by law a set of men who are not elected by the people, who are not responsible to them for the management of their banking institutions, to regulate at will the volume of the currency. Such a system of finance is no better than a system of robbery; and it has had that effect practically, as a million ruined homes can testify.

Mr. Wilber—I would like to ask the gentleman whether the speculators who are interested in the passage of the silver bullion bill are under oath? Are they not in this respect in the same situation as the national banks?

Mr. Weaver—My dear sir, I would like to know when it was that the bondholding interest of this country became averse to legislation in behalf of speculators? And I should like to know another thing. What right has the gentleman to say, if I own a million of silver bullion, and it is needed for use as money, that I shall not have the profit of its remonetization? I should like to know what right the government has to say, "I will take it from you, or I will not allow it to be remonetized unless you will give up the profit to accrue from its remonetization—the profit which is to accrue, because of your industry in going out upon the frontier and digging it out of the earth where the Almighty had hidden it away?" Shall this government say it will not remonetize silver until those who hold silver bullion will give up the profit which may accrue to them? Everybody knows you cannot remonetize silver without someone making something by it.

Some men may make large fortunes by it. I grant that, but who lost the difference between the price of silver now and the value of silver when it was demonetized? Then it was worth 3 per cent. more than gold, and now it is only worth eighty-four cents as bullion. That depreciation in the price of silver was brought about, as the English financier, Ernest Seyd, has told us, solely by demonetization. The world lost by demonetization, let me say regretfully, far more than speculators will make by remonetization. Had the United States coined silver to the full capacity of the mints, since 1873, we would now have \$400,000,000 of silver in circulation, and our people would be prosperous. Beside, sir, it comes with very bad grace from men who have speculated upon our blood and suffering during our interne-

cine strife, who speculated upon that war until they have become purse-proud and void of love or respect for the poor, as has been shown upon this floor by members of congress—it comes, I say, with bad grace from those who have speculated upon the misfortunes of the people, and who are now speculating upon the misfortunes of the people, to say that if we give back to the country its stolen silver somebody will make something by it. It is the expedient of men who are conscious of being in the wrong, of men who have been guilty, wittingly or unwittingly, of a great national crime. The people will profit by remonetization.

Now, Mr. Speaker, resumption was another step in the great scheme which included the demonetization of silver. The resumption act was one of the trinity of infamies fastened upon the American people by that diabolical plot. What was the plea for that act? It was that we should pay our honest debts, that we should pay the debt created by the greenback. This was the plea of the Republican party all over the country; that the government ought to pay its honest debts. I wish to show right here and now the hypocrisy of that declaration. I say that the resumption act was not passed for the purpose of paying our honest debts, but for the purpose of increasing the bonded debt of the country.

You know, in the first place, there was the promise of a slight inflation, that the greenbacks should be withdrawn down to \$300,000,000 under the resumption act, and for every \$80 of greenbacks withdrawn there should be an issue of \$100 of bank notes, so that there would be a little "elasticity" given to the currency, a slight inflation; and yet everyone knows that under the operation of the two acts, of June 30, 1874, and the resumption act of January 14, 1875, the currency has been greatly decreased, both national bank and legal-tender, so that to-day we have about \$100,000,000 less than when the resumption act was passed.

But let me show that the design was not to pay our honest debts. Why did the government sell its surplus gold coin? From July 1, 1867, to September 30, 1876, the government sold \$522,000,000. After having met all its coin obligations it sold in the markets of this country and in Europe \$522,000,000. That was more than was necessary to pay off every dollar of our greenbacks in gold without issuing a bond. This is the record furnished by the secretary of the treasury himself, that this government sold between the 1st of June, 1867, and the 30th of September, 1876, \$522,000,000 in gold. The resumption act was passed January 14, 1875, and yet this record shows that after the passage of that act there was sold at public auction over \$40,000,000 of gold, and then the treasury immediately turned around, and under the resumption act, sold bonds to buy that gold back again. [Laughter and applause.]

In whose interest was that, pray tell me? Now, why did not the government take that \$522,000,000—and it accumulated as high as \$77,000,000 in one year, in another, \$76,000,000—why did not the government take that coin and pay off the greenbacks? When you had both branches of congress and the executive, why did you not pass a law saying that the surplus coin in the treasury should be used in the redemption of the greenbacks, if you were so anxious to pay your debts? That would have brought greenbacks to par with gold at once, and without expense to the people. But that would not have been in accord with your scheme.

But some gentlemen may say the gold was sold to defray the necessary expenses of the government. The silver commission, anticipating that objection, have shown that statement not to be a true one, for during that period, after meeting the coin obligation and the currency obligations, the government paid over \$400,000,000 of debt which was not due. Every dollar of that gold could have been used to redeem the greenbacks and in bringing them to par.

But we are told there is objection to hoarding, as the government loses the interest! I wish to know how much the government is losing to-day upon the gold in the sub-treasury of the United States, which nobody wants, notwithstanding resumption, and which has been lying idle there, a loss to civilization and to humanity? Borrowing money to hoard! What consummate folly, what a stupendous crime!

There was no honest design in that resumption act. The design was, not to pay the greenback debt unless the greenback could be funded into an interest bearing bond. That was it. And hence the resumption scheme came in to authorize a new issue of bonds to pay off the greenbacks. That was the scheme. And I challenge any member here to examine these figures on page 459 of the report of the silver commission and show where the fallacy exists. It was no honest design to pay a debt, I repeat, but a design to increase the debt of this country and make it perpetual.

But in spite of the opposition to silver in this country remonetization has been partially accomplished. But it was remonetized not only over the vote of the monometalists here, but over the veto of the executive himself. The tide of public sentiment in favor of silver rose so high that it swept through this house like a hurricane and through the senate of the United States. The measure went to the president and he vetoed it. But the tide kept on rising until congress passed it by a two-thirds vote over the executive veto; and the people breathed more freely. They said, "This is a government by the people after all; the syndicate and the executive in its interest have not the power to defeat the people's will." And everybody supposed silver was to be paid out to the bondholders, because that was the point upon which the conflict turned. The government had the right to pay off the debt with silver beyond all question, and the people thought they had gained a victory. The Stanley Matthews resolutions, passed at the second session Forty-fifth congress, expressly declared the right of the government to pay the bonded debt in standard silver dollars. But the execution of the law went into the hands of an unfriendly secretary of the treasury, and a conspiracy was formed in New York with the clearing house. [Laughter.] I hear some gentleman laughing. He who laughs last laughs best. It was ordered that silver should not be received on deposit unless the depositors were willing to receive it back in kind. That was done after a certain distinguished gentleman who is now traveling abroad, and who is to be met on the other side of the continent with an escort, had written a letter from Smyrna, an old bible town of Asia Minor. There was a letter written to Smyrna once, but it is a very different letter. It is one in the interest of the poor:

Unto the angel of the church in Smyrna write: * * * I know thy works, and tribulations, and poverty, (but thou art rich,) and I know the blasphemy of them which they say they are Jews, and are not. [Laughter.]

This letter, written from Smyrna, was